

Message Text

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ORIGIN XMB-07

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 CIAE-00 COME-00

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66604

DRAFTED BY XMB:E R DUPONT

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ARA/BR J SLATTERY (SUBS)

EB/IFD/ODF E M LINTON

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R 051417Z NOV 73

FM SECSTATE WASHDC

TO AMCONSUL RIO DE JANEIRO

INFO AMEMBASSY BRASILIA

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E.O. 11652: N/A

TAGS: EGEN

1. PLEASE CONTACT BANCO MERCANTIL DE MINAS GERAIS AND REQUEST FOLLOWING CLARIFICATIONS OF THEIR FINANCIAL STATEMENTS. IN VIEW OF THEIR TAKEOVER OF BANCO CAMPINA GRANDE, SOME OF THE ACCOUNTS NEED CLARIFICATION. WE HAVE THE FOLLOWING QUESTIONS:

A. COMBINED OPERATIONS GREATLY REDUCED THE CAPITAL STRUCTURE, DO THEY PLAN TO INCREASE CAPITAL STOCK SOON?

B. EXPLAIN THE STATUS OF THE LOANS "OUTRAS CREDITOS REALIZAVEIS LONGO PRAZO" LAST SEEN ON BALANCE SHEET CAMPINA GRANDE IN THE AMOUNT OF 8.8 MILLION CRUZEIROS AT JUNE 30, 1972. ARE LOSSES ON THESE LOANS BEING AMORTIZED OR ARE THEY CONSIDERED COLLECTABLE?

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C. WE UNDERSTAND THAT USE OF ACCEPTANCES IS BEING ELIMINATED IN ACCORDANCE WITH CENTRAL BANK INSTRUCTIONS, EXPLAIN REASON FOR LARGE INCREASE IN ACCEPTANCES TO 181.2 MILLION CRUZEIROS AT DECEMBER 31, 1972?

D. EXPLAIN ACCOUNT "CESSAO DE CRED. ESPECIAIS" WHICH INCREASED FROM 4.7 MILLION CRUZEIROS AT JUNE 1972 TO 25.1 MILLION CRUZEIROS AT JUNE 30, 1973?

E. EXPLAIN "DEVEDORES E CREDITORES DIVERSOS" OF 190.3 MILLION CRUZEIROS WHICH APPEARED ON BALANCE SHEET AT DECEMBER 31, 1972 AND DISAPPEARED BY JUNE 30, 1973?

F. WHAT IS AMOUNT OF GUARANTEES AND OTHER CONTINGENT LIABILITIES CONTAINED IN THE "CONTAS DE COMPENSACAO" AT JUNE 30, 1973 AND WHAT SECURITY IS HELD ON THESE AMOUNTS?

G. ASK THEM TO SEND A COPY OF BALANCO ANALITICO FOR DECEMBER 1972 AND JUNE 1973. KISSINGER

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